

Relocation Blocks. Establish "relocation blocks" of sufficient size so all incumbents can be relocated.³

Geographic Competitive Premium. All relocated incumbents would get BEA licenses, i.e., exclusivity on their relocated channels within the BEA. No incumbent would be isolated with a "second class", site specific "island" license in competition with a BEA auction winner. This is the premium for relocation.⁴

Voluntary Retuning. Voluntary retuning only. SMR WON opposes:

- a. Mandatory "call" retuning (Nextel proposal);
- b. Voluntary Period followed by Mandatory Retuning after 6 mos. or 4 years (Motorola/AMTA proposal);
- c. "Progressive" Mandatory Retuning (Onecomm/AMTA proposal)

Mandatory Retuning. Mandatory Retuning reduces business value, makes business planning impossible, even if mandatory retuning occurs 4 years after voluntary retuning.⁵ Mandatory

³ Nextel, AMTA oppose this plan.

⁴ Nextel opposes this as "too expensive" and "too complicated"; AMTA and Motorola have not agreed to Geographic Premiums.

⁵ AMTA/Nextel plan is for 6 Month notice of retuning; if the auction winner does not notify incumbent, incumbent does not get retuned. If incumbents notify winners that they want to be retuned within 1 year, incumbents get "incentives", but no geographic license, no guarantee not to be short-spaced, even on retuned channel. SMR WON opposes this AMTA plan.

Retuning is a "Taking" of property values for Federal Government Auction.

Relocation. SMR Incumbents from Auctioned Block relocated to Channels 1-100; 25 kHz channel bandwidth required to permit retuning, conserve imbedded capital investment. Relocation costs borne by auction winner.

The 80 SMR Lower Channel licensees are not moved, unless the licensee is the auction winner;

Business, Industrial licensees and unconstructed conventional SMR licensees on Chs. 1-100 are relocated to channels on 100-400, or 200-400, depending on whether the auction block is 100 or 200 channels, respectively.

Safety Licensees. No change is made in any safety licensee or any channel allocated to safety services.

Auction Winners must provide relocation frequencies. Auction winners must provide, for the Relocation Pool, their channels in 1-400 in proportion to the block of channels they have won; E.g., if auction winner wins one of two 50-channel blocks, he must provide for relocation pool 50% of frequencies he owns in lower channels, or 50 channels, whichever is greater.

Existing Unconstructed Licenses. Extended construction deadlines are modified. Wide-area applicants must build within 18 months of adoption of order (which will be equivalent of approximately 24 months - 3 years from issuance of license). Construction must be at a site within 35 miles of originally licensed site. Unconstructed channels revert to relocation pool.

"Benchmark" construction timetables must be published, and specific affidavits of construction filed.

- a. Construction. Two (2) unaffiliated mobiles; no double-counting mobiles; construction of height/power must be in substantial compliance with license. Minimum power operation will be specified to prevent "bogus" construction. "In-building" construction (e.g., 2 watts) will not qualify as substantial construction.
- b. Frequency Recapture. Frequencies not constructed as required revert to relocation pool if outside auction band; are re-auctioned if within auction band. Defaulting licensee ineligible to bid for recaptured licenses.

Expansion of Existing Systems. Incumbent licensees have complete freedom, without "major/minor" application distinctions, to expand or move within their existing constructed footprint.

Border Markets. No auctions in BEAs affected by Canadian and Mexican border frequency restrictions. Insufficient channels available for auction relocation. Mexican border channel offsets further complicate the relocation problem.

EXHIBIT 4

Alternative Licensing Plans Studied
806 - 821/851-866 MHz

I. Relocation Plan - SMR WON Original Proposal

100	200	400	500	600
<u>Relocation Block I</u> RETUNED SMR INCUMBENTS 25 kHz Bandwidth	<u>Relocation Block II</u> Private, Safety, Existing SMR. Non-SMR Refarmed. No Auction Winners	50 ch WIDE AREA	50 ch WIDE AREA	15-15 15-5 BEA
				15-15 15-5 BEA

II. SMR WON Revised Proposal - Auction Chs. 500-600

100	200	400	500	600
Relocation Block	Partial or No Refarming	Incumbent SMR No Auction Winners	50 ch	50 ch

DIGITAL ONLY
 12.5 kHz or
 Smaller
 Channels

III. Nextel Proposal

100	150	400	600
Nextel Continues to Hold Gen Category Chs Converted to SMR Partial Relocation	Nextel Continues to Hold Lower SMR Channels	200 ch Auction Block Nextel and Partners Continuing	